

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 200 – HB 424

February 23, 2009

SUMMARY OF BILL: Reallocates funds collected by the Emergency Communications Board and deposited in the 911 Emergency Communications Fund. Designates 22 percent generated by the charge on commercial mobile radio service to the Board's operational and administrative expenses, increases from 25 to 50 percent the amount designated to emergency communications districts, and designates 28 percent to financially distressed emergency communications districts.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures – \$27,176,300/
Emergency Communications Fund/FY09-10
\$30,572,100/
Emergency Communications Fund/FY10-11**

**Increase Local Revenue - \$27,176,300/FY09-10
\$30,572,100/FY10-11**

Other Fiscal Impact – The increase in revenue and expenditures will increase each year as the number of cell phone subscribers grows.

Assumptions:

- According to the Department of Commerce and Insurance, increasing the distribution to emergency communications districts from 25 to 50 percent and designating 28 percent to financially distressed districts will increase state expenditures \$27,176,300 in FY09-10 and \$30,572,100 in FY10-11.
- Local government revenue will increase \$27,176,300 in FY09-10 and \$30,572,100 in FY10-11 as a result of the reallocation.
- Revenue and expenditures will increase in FY10-11 as the number of cell phone subscribers increases. The Department estimates an increase of four percent in cell phone subscribers in FY10-11.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/kmc